(b) the steps being taken by Government to increase the foreign capital investment;

(c) whether Government have sought any information from the Indian businessmen and Non-Resident Indians on the problems being faced by them in the capital investment;

(d) if so, the details thereof and the steps taken by Government to solve the same; and

(e) the reasons for lesser investment by Japan?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI E.V.K.S. ELANGOVAN): (a) Yes, Sir.

(b) The Government has put in place a liberal and transparent Foreign Direct Investment (FDI) policy wherein FDI up to 100% is permitted in most sectors/activities under the automatic route. The FDI policy is also applicable to investments by Non-Resident Indians (NRIs). In addition, the extant policy permits FDI up to 100% by NRIs in housing and real estate and domestic airlines. The FDI policy and procedures are reviewed on an ongoing basis for progressive liberalisation and removal of any bottlenecks.

(c) and (d) The Government periodically interacts with Indian and foreign investors, which include NRIs. The NRIs have also been urged to make recommendations on how to increase investment into India. The Government has recently established an Investment Commission to interact with both domestic and foreign investors to attract higher investments.

(e) FDI depends upon a number of factors, both internal and external, such as the macro-economic environment in the host economy, global economic environment, corporate strategy of transnational corporations and economic environment in other economies competing for FDI. Inflow from Japan into India has been US$ 1.86 billion during 1991 to September, 2004. Japan ranks 3rd in terms of top investing countries in India.

Decline in Indo-Russia Trade

†1771. SHRI PYARELAL KHANDELWAL: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether it is a fact that steep fall had been registered in Indo-Russia trade during the last few years;

†Original notice of the question was received in Hindi.

(b) if so, the reasons therefor;

(c) whether Government have identified the potential areas to boost mutual cooperation and bilateral trade; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI E.V.K.S. ELANGOVAN): (a) No, Sir.

(b) Does not arise.

(c) and (d) During his meeting with visiting Deputy Prime Minister of Russian Federation to India in November, 2004, Commerce and Industry Minister has suggested for setting up of a Joint Study Group (JSG) as a first step for beginning discussions on a Comprehensive Economic Cooperation Agreement. Details of the same are being worked out. Also to boost bilateral trade with Russia, Government has taken a number of steps which include promotion of dialogue at the highest level, constant review through the Joint Commission/Working Group/Sub-Group mechanism, promoting direct business contacts through exchange of delegations, Joint Business Councils, holding of exhibitions, participation in fairs etc. In addition to this, *w.e.f.* April, 2004, Russia has also been included as a focus country in the ongoing phase of the focus CIS Programme aimed at developing and enhancing India's trade with countries of the CIS Region. Details of the programme are available on Department's website, www.commerce.nic.in under the head 'Trade Promotion Programmes'.

National Insurance Fund for Exporters

†1772. SHRIMATI SAVITA SHARDA: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether Government propose to set up National Insurance Fund in order to bring the risks of exporters under insurance cover;

(b) if so, the details thereof; and

(c) by when a final decision is likely to be taken in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI E.V.K.S. ELANGOVAN): (a) and (b) There is a proposal to set up a National Export Insurance Account (NEIA) under Export Credit

†Original notice of the question was received in Hindi.